



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0135	Title:	Eliminate 3-mile limit for school transportation reimbursement
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Primary Sponsor:	Furey, K.	Status:	As Introduced
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| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Include in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$1,813,155	\$1,813,155	\$1,813,155	\$1,813,155
Revenue:				
General Fund	\$0	0	0	0
Net Impact-General Fund Balance:	<u>(\$1,813,155)</u>	<u>(\$1,813,155)</u>	<u>(\$1,813,155)</u>	<u>(\$1,813,155)</u>

Description of fiscal Impact: HB 135 allows state and county transportation reimbursements for school bus routes operated within the 3-mile limit for reasons of student safety and for routes operated for the purpose of conveying students among school facilities within a district for convenience and efficient use of facilities in the provision of quality K-12 education. HB 135 also increases the maximum per mile reimbursement rates for bus routes and nonbus mileage provided in MCA 20-10-141.

FISCAL ANALYSIS

Assumptions:

1. The state and county pay equal shares of the bus mileage reimbursement rates under MCA 20-9-141.
2. Current rates per bus miles range from \$.95 per mile to \$1.80 per mile, depending on the size of the bus. The current rate for nonbus miles is \$.50 per mile. Under HB 135 rates per bus mile would range from \$1.05 per mile to \$1.98 per mile and the nonbus rate would increase to \$.55 per mile.

School Bus Capacity - Passenger Seating Positions	Current Rate	HB 135 Proposed Rate
49 or less	\$0.95	\$1.05
50 to 59	\$1.15	\$1.27
60 to 69	\$1.36	\$1.50
70 to 79	\$1.57	\$1.73
80 or more	\$1.80	\$1.98

3. In FY 2007, the annual state reimbursement for bus routes is estimated to be:

2007 Appropriation	\$12,242,550
Individual Contract Reimbursements	<u>(\$317,000)</u>
Total Bus Route Reimbursement	\$11,925,550

Increasing the mileage reimbursement rate for busses using rates proposed in HB 135 will increase the state reimbursement for bus mileage by approximately 10%, or \$1,192,555.

4. Districts with at least 1500 students will provide the majority of bussing within three miles of the schools. Districts with a combined enrollment under 1500 students in K-12 will provide little or no additional bussing within three miles of the schools upon passage of HB 135. Many districts that currently provide bussing within three miles of the school carry at least one eligible rider on each bus and are already being reimbursed, so they will claim no additional bus routes. The state's obligation for busses not currently being paid within the three mile limit will be \$328,000 at current rates and \$360,700 using rates provided in HB 135. There is little hard data used to estimate these costs, actual expenditures will vary based on local trustee decisions.
5. Districts with at least 1500 students have the greatest need for bus transportation among school facilities. Districts with a combined enrollment under 1500 students in K-12 will incur little or no intra-district transportation. The state's obligation for intra-facility transportation on school busses will be \$236,275 under current rates and \$259,900 using rates provided in HB 135. There is little hard data used to estimate these costs, actual expenditures will vary based on local trustee decisions.
6. The number and length of routes and sizes of busses used on routes will remain unchanged through FY 2011.
7. The State's obligation for funding school transportation will increase by \$1.81 million per year. Counties will be required to match the increase in state funding by increasing the permissive countywide property tax levy for pupil transportation.
8. HB 135 specifically disallows reimbursement for field trips or extracurricular activities.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Local Assistance	\$1,813,155	\$1,813,155	\$1,813,155	\$1,813,155
<u>Funding of Expenditures:</u>				
General Fund (01)	\$1,813,155	\$1,813,155	\$1,813,155	\$1,813,155
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$1,813,155)	(\$1,813,155)	(\$1,813,155)	(\$1,813,155)

Effect on County or Other Local Revenues or Expenditures:

1. Counties will be required to match the \$1.81 million increase in state funding for pupil transportation. (20-9-141, MCA) The county share of funding for pupil transportation is provided through a non-voted, countywide property tax levy. Local transportation fund levies should decrease in some districts where local district taxes have been used previously to support affected routes prior to passage of this legislation.
2. Providing routes among facilities and within the three mile limit will be a local decision. If districts chose to start new routes after passage of this bill, they may or may not increase district levies to fund costs that exceed the state and county reimbursements. Districts locally fund approximately 56% of pupil transportation costs, on average.

Sponsor's Initials

Date

Budget Director's Initials

Date